

Message Text

PAGE 01 TEL AV 03797 181008Z

12

ACTION NEA-10

INFO OCT-01 ISO-00 ABF-01 FSE-00 OPR-02 A-01 SP-02 AID-05

EB-07 NSC-05 CIEP-02 TRSE-00 SS-15 STR-04 OMB-01

CEA-01 FEA-01 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00

XMB-04 OPIC-06 LAB-04 SIL-01 DODE-00 PM-03 H-02 L-03

PA-02 PRS-01 NSCE-00 SSO-00 USIE-00 INRE-00 SAM-01

/093 W

----- 080327

O R 180714Z JUN 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 7127

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL JERUSALEM

UNCLAS TEL AVIV 3797

C O R R E C T E D C O P Y (TEXT)

E.O.11652: N/A

TAGS: EFIN, AFSP, IS

SUBJECT: GOI DEVALUES ISRAELI POUND BY TWO PERCENT

REF: A. TEL AVIV 3072 B. TEL AVIV 2617 C. TEL AVIV A-105 OF 6/12/75

1. AS HAD BEEN GENERALLY EXPECTED, GOI ANNOUNCED
DEVALUATION OF ISRAELI POUND LATE EVENING JUNE 17, DEVALUATION OF TWO
PERCENT RESULTS IN NEW EXCHANGE RATE F I L 6.12 PER DOLLAR.
GOI ALSO ANNOUNCED ESTABLISHMENT OF MINISTERIAL COMMITTEE,
COMPRISED OF FINANCE MINISTER, MINISTER OF COMMERCE &
INDUSTRY AND MINISTER OF JUSTICE WITH RESPONSIBILITY
FOR CHANGING EXCHANGE RATE IN FUTURE. COMMITTEE'S
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PAGE 02 TEL AV 03797 181008Z

DECISIONS WILL HAVE TO BE AUTHORIZED BY PRIME MINISTER
AND COMMITTEE WILL CONSULT WITH GOVERNOR OF
BANK OF ISRAEL BEFORE CHANGING EXCHANGE RATE.
MAXIMUM CHANGE ALLOWED WILL BE TWO PERCENT;; MINIMUM

TIME BETWEEN DEVALUATIONS WILL BE THIRTY DAYS.

2. GOVERNMENT ALSO ANNOUNCED IT WOULD NO INCREASE PRICES ON BASIC COMMODITIES, PETROLEUM OR PUBLIC TRANSPORTATION. ESTIMATED COST OF INCREASED SUBSIDIES NECESSITATED BY PRESENT DEVALUATION IS IL 200 MILLION (\$32.7 MILLION). GOI ESTIMATES IMPACT OF DEVALUATION AT ONE-HALF PERCENT ON THE CONSUMER PRICE INDEX.

3. RECENTLY ANNOUNCED MONTHLY INCREASES IN EXPORT INCENTIVES (REF C) WILL BE IN ADDITION TO DEVALUATION, BUT IN FUTURE MONTHS, INCREASES IN EXPORT INCENTIVES WILL BE RESULT EITHER OF FURTHER DEVALUATIONS OR INCREASE IN EXPORT INCENTIVES. IN NO CASE WILL INCREASED INCENTIVE BE LESS THAN IL.04 PER MONTH. VELIOTES

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
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Draft Date: 18 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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To: STATE INFO AMMAN
BEIRUT
CAIRO
DAMASCUS
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